

Revealed: 4 Ways Technology Is Hurting Your Business



2020 taught us technology can make or break a business. This pandemic has pushed many companies over the technology tipping point and proved that going digital has the power to grow your business.

Some businesses pivoted into new services and products while others took the initiative to implement new technology and an online presence in the bid to attract business. In fact, two in five Australian businesses said they had changed how they delivered goods or services¹.

A survey by McKinsey² found that responses to COVID-19 sped up the adoption of digital technologies by several years. Most respondents recognised technology's importance as a critical component of business, not just a source of cost efficiencies.

Respondents to the same survey reported acceleration of the digitisation of core back-office operations and production.

Of course, 'selling online' does not suit all businesses, such as trades, but having at least an online presence to connect to potential clients does, as does creating business efficiencies.

We reveal 4 ways you could save your business thousands.

Outdated technology can hurt your business in more ways than one.

1. Old computers cost double that of replacements

According to software giant Microsoft, keeping computers that are more than four years old **costs \$5,012** per device – roughly double the cost of a replacement³. This is a significant finding for SMEs who often delay upgrading computers in a bid to save money and assist with cash flow.

2. Downtime can add up

The more issues, break downs and glitches your technology experiences, the more staff time is wasted and the longer it takes to respond to customer requests. Small businesses in Australia admit that downtime costs an average of **\$2,000 per hour**⁴.

3. Customer perception

Ensuring your IT is up to date, having a modern, mobile responsive website and online chat support all create the perception that your company is at the

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forefront of technology, plus it could give you the edge over your competitors.

4. Security risk

In this modern online world, lax business security is a major risk. Businesses can fall behind on device and program updates. Outdated software may no longer be supported by updates against new cybersecurity threats. Cyber-attacks are costly. PwC estimates that the worst breaches at small businesses cost on average **\$135,000 and \$240,000**⁵. Another survey found that the average amount of damage caused by a ransomware attack might be **up to \$99,000** for small to medium businesses⁵.

Keeping up to date with technology, online tools and software can be costly, but so are the consequences if you don't!

Contact us for our guide: **20 Ways Technology Can Improve Your Business.**

It can be difficult for businesses to invest in technology AND manage cash flow.

As your asset finance specialist, we have ways to finance your business and technology upgrades and can recommend the most suitable finance options for your business. Call us today.

Sources

- 1 Coronavirus crisis has had staggering impact on Australian businesses, data reveals | Business | The Guardian
- 2 COVID-19 digital transformation & technology | McKinsey
- 3 Old computers cost more than replacements | MyBusiness
- 4 Why application downtime costs Aussie businesses more than \$762,000 on average (tbrief.com.au)
- 5 IT checklist for small business (cpaaustralia.com.au)

Remember to contact us to read our topic sheet on **'20 Ways Technology Can Improve Your Business'**.

